

Act 6

Stamp Duty (Amendment) Act

2018

THE STAMP DUTY (AMENDMENT) ACT, 2018

ARRANGEMENT OF SECTIONS

Section

1. Commencement.
2. Amendment of Schedule 2 of the Stamp Duty Act, 2014.

THE STAMP DUTY (AMENDMENT) ACT, 2018

An Act to amend the Stamp Duty Act, 2014, Act 13 of 2014 to exempt instruments executed in respect of land acquisition for purposes of strategic investment projects from stamp duty; to exempt instruments for financing of strategic investment projects from stamp duty, and to vary the stamp duty chargeable on certain instruments.

DATE OF ASSENT: 20th June, 2018.

Date of Commencement: 1st July, 2018.

BE IT ENACTED by Parliament as follows:

1. Commencement

This Act shall come into force on 1st July, 2018.

2. Amendment of Schedule 2 of the Stamp Duty Act, 2014.

Schedule 2 of the Stamp Duty Act, 2014 in this Act referred to as the principal Act is amended—

- (a) by substituting for the stamp duty of Shs 10,000 wherever it appears, Shs 15,000;
- (b) by inserting immediately after item 60 the following item—

<p>60 A STRATEGIC INVESTMENT PROJECTS The stamp duty chargeable in respect of an instrument executed by, or on behalf of a company or Government for the sole purpose of implementing the following strategic investment projects—</p>	
--	--

<p>(a) developers of an industrial park or free zone whose investment capital is at least one hundred million United States Dollars—</p>	
<p>(i) debenture; whether a mortgage debenture or not, being of a marketable security- of the total value;</p>	<p>Nil</p>
<p>(ii) further charge; any instrument imposing a further charge on a mortgaged property- of the total value;</p>	<p>Nil</p>
<p>(iii) lease of land- of the total value</p>	<p>Nil</p>
<p>(iv) increase of share capital;</p>	<p>Nil</p>
<p>(v) transfer of land;</p>	<p>Nil</p>
<p>(vi) an agreement to provide services on conducting a feasibility study or developing a design for construction;</p>	<p>Nil</p>
<p>(b) an operator within an industrial park or free zone or an operator of a single factory or other business outside the industrial park who meets the following requirements—</p>	
<p>(i) a minimum investment capital of fifteen million United States Dollars in case of a foreigner, or ten million United States Dollars in case of a citizen of a Partner State of the East African Community;</p>	
<p>(ii) carries on business in agro processing, food processing, medical appliances, building materials, light industry, automobile manufacturing and assembly, household appliances, furniture, logistics and warehousing, information technology or commercial farming;</p>	

<ul style="list-style-type: none"> (iii) seventy percent of the raw materials used are sourced locally, subject to their availability; (iv) directly employs a minimum of one hundred citizens; and (v) provides for substitution of thirty percent of the value of imported products— 	
<ul style="list-style-type: none"> (aa) debenture; whether a mortgage debenture or not, being of a marketable security – of the total value; 	Nil
<ul style="list-style-type: none"> (bb) further charge; any instrument imposing a further charge on a mortgaged property- of the total value; 	Nil
<ul style="list-style-type: none"> (cc) lease of land– of the total value; 	Nil
<ul style="list-style-type: none"> (dd) increase of share capital; 	Nil
<ul style="list-style-type: none"> (ee) transfer of land; 	Nil
<ul style="list-style-type: none"> (c) hotel or tourism facility whose investment capital is eight million United States Dollars with a room capacity exceeding one hundred guests— 	
<ul style="list-style-type: none"> (i) debenture; whether a mortgage debenture or not, being of a marketable security – of the total value; 	Nil
<ul style="list-style-type: none"> (ii) further charge; any instrument imposing a further charge on a mortgaged property- of the total value; 	Nil
<ul style="list-style-type: none"> (iii) lease of land- of the total value 	Nil
<ul style="list-style-type: none"> (iv) increase of share capital; 	Nil
<ul style="list-style-type: none"> (v) transfer of land; 	Nil

<p>(vi) an agreement to provide services on conducting a feasibility study or developing a design for construction;</p>	<p>Nil</p>
<p>(d) hospital facility developer whose investment capital is at least five million United States Dollars and who develops a hospital at the level of a national referral hospital with capacity to provide specialised medical care—</p>	
<p>(i) debenture; whether a mortgage debenture or not, being of a marketable security – of the total value</p>	<p>Nil</p>
<p>(ii) further charge; any instrument imposing a further charge on a mortgaged property- of the total value;</p>	<p>Nil</p>
<p>(iii) lease of land- of the total value;</p>	<p>Nil</p>
<p>(iv) increase of share capital;</p>	<p>Nil</p>
<p>(v) transfer of land;</p>	<p>Nil</p>
<p>(vi) an agreement to provide services on conducting a feasibility study or developing a design for construction.</p>	<p>Nil</p>